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Negative

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EXTERNAL - POLITICAL

1. US-Soviet Relations and Berlin. The Berlin problem and the prospect of increased international tension over it continued to be the dominant theme in Soviet press coverage of foreign affairs.

Initial Soviet press reaction to President Kennedy's July 25 report to the American people did not include editorial comments, but, through use of headlines, adjectives, and selective reporting, the impression was conveyed that defense increases announced by the President were not prompted by Soviet actions in reactivating the Berlin crisis or by the arms increases announced by Khrushchev, but represent a fresh US initiative in the arms race and a US preference for prosecuting the cold war to ~~rather than for~~ settling problems through negotiations. However, the papers did report that the President called for a diplomatic solution, provided that the firm position of the US on Berlin, its obligations to the people of West Berlin, and its own rights there are understood.

On the same day that the President's speech was reported, the papers announced that Khrushchev had received Mr. McCloy, the President's representative on disarmament, on July 26, twice mentioning that the encounter took place in a friendly and warm atmosphere. This, together with the references to the President's call for seeking a negotiated solution on Berlin, served to convey the impression to the Soviet people that the Soviet Government is keeping channels for negotiation open to Washington.

The press reported speeches or public pronouncements concerning Berlin by Secretary Rusk, Secretary McNamara, and Attorney General Kennedy, presenting all three in an unfavorable light as advocates of the cold war and of policies which, it was claimed, would horrify the founding fathers of the US.

2. Disarmament. The US-Soviet bilateral talks on disarmament being conducted by Mr. McCloy and the Soviet Permanent Representative at the UN, Valerian Zorin, were recessed during the week, while Mr. McCloy made trips to Leningrad and Sochi. The talks resumed July 28.

3. Visit of Kwame Nkrumah. Nkrumah concluded his state visit to the USSR on July 25. On July 24, he and Brezhnev, Chairman of the Supreme Soviet Presidium, signed a joint communique, which left the impression that Nkrumah at least partially supports Soviet positions on disarmament, Berlin, neo-colonialism, the reorganization of the UN along troika lines, and other matters. However, the equivocal formulations used in the communique will enable Nkrumah to deny this on many points. No large-scale economic quid pro quo was announced by the Soviet press which said that economic agreements would be signed in the near future. The press said an expansion of trade is sought by both sides and that the negotiations envisage among other things the raising of Soviet quotas for imports of cocoa beans to a level of about 60 thousand tons annually by the end of a five-year period. It was announced that the Soviets, at Ghanaian request, had agreed to expand economic and

technical cooperation and to extend a supplementary long-term credit for the construction of industry and other enterprises and the creation of technical-training centers in Ghana. The USSR similarly agreed to increase the number of stipends available for Ghanians who wish to study at Soviet higher schools. (End LIMITED OFFICIAL USE)

(Begin CONFIDENTIAL)

4. Abboud State Visit. Sudanese Chief of State Abboud concluded his visit to the Soviet Union on July 27. The press announced that a joint communique had been signed by him and Brezhnev on July 26, which has not been published as of the time of writing. The Embassy has learned from a source in the Sudanese Embassy here that Abboud and his party were generally pleased with the good organization of the visit and Soviet attention to detail. Abboud met Khrushchev in Sochi on July 22. The speeches exchanged on this occasion, as published in the press, were confined to generalities on anti-imperialism, the virtues of neutrality, and good Soviet-Sudanese relations. Abboud avoided mention of the Congo in his remarks, although Khrushchev included it with Algeria and Angola in reciting the list of "imperialistic" attempts to impede the struggle of dependent countries for freedon. (End CONFIDENTIAL)

(Begin LIMITED OFFICIAL USE)

5. Forthcoming Fanfani Visit. The press announced that Italian Prime Minister Fanfani has accepted an invitation by Khrushchev to visit him in Moscow from August 2 to 5. Fanfani will be accompanied by Foreign Minister Segni.

6. Georgadze "Good-Will Mission" to Latin American Countries. The Moscow press reported the departure of the Georgadze "good-will mission" from Brazil for Mexico, noting that Brazilian Foreign Minister Arinos has announced that Brazil intends to establish diplomatic and cultural relations with Cuba and the USSR in the nearest future, but omitting any reference to the possibility of an exchange of visits by Quadros and Khrushchev.

7. Visits of Foreign Communists to Moscow. It was announced during the week that a Rumanian party-government delegation headed by Georghiu-Dej will visit Moscow at the end of July. Khrushchev met French Communist Party leader Thorez and Bulgarian leader Zhivkov in Sochi on July 23. The latter were described as being in the Soviet Union on vacation.

COMMENT: Such visits are common during the summer months but may have more significance than usual this year because of the undoubted Soviet interest in gaining as much support throughout the world Communist movement as possible for the new Soviet Communist party program due to be published on July 30.

8. France, Algeria, and Bizerte. De Gaulle's July 12 address was the subject of a harsh Pravda "Observer" article on July 21 charging that de Gaulle is playing the role of a present-day Mussolini to Adenauer's Hitler in an anti-Soviet campaign recalling the days of the anti-Comintern pact. De Gaulle was reproached for losing the sense of reality which inspired him in World War II

to hail Soviet achievements and for playing a double game--supporting Adenauer in creating an artificial crisis over Berlin in order to divert world public opinion from the Algerian problem, thus enabling him to solve the latter on his own conditions. The article reiterated the Soviet intention of signing a German peace treaty with or without the West and concluded by warning of the dangers of those who threaten the USSR.

The press reported the French-Tunisian hostilities around Bizerte as a typical struggle between the "imperialists" and "national liberation forces." The press also sought to drag in NATO and the US by reporting the introduction of US military equipment on to the scene. No editorial comment as such, however, has been published about the Bizerte clashes to date.

9. Soviet-UAR Relations. Soviet press treatment of the UAR National Day on July 23 was completely free of the anti-UAR recriminations characteristics of Soviet propaganda last June. A Pravda article cited a statement by Anwar Sadat that Soviet-UAR relations are steadily improving.

COMMENT: Soviet press treatment of the UAR on this occasion may be designed to give the impression that state relations between the two countries have not been damaged by last month's bickering.

10. The Japanese Communist Party Congress. The press published a message of the CPSU Central Committee to the eighth Japanese Communist Party Congress. The message was aggressively worded, twice mentioning "American imperialism." It praised the devotion of the Japanese party to Marxist-Leninist ideas, and, by contrast with the CPSU message to the Chinese Communist Party on the latter's 40th anniversary, displayed significantly higher praise for the ideological purity of the Japanese Communists. The message contained the formulation that it is necessary to struggle against revisionism, dogmatism, and sectarianism, without distinguishing which of these heresies is the greatest danger to the world Communist movement at present.

COMMENT: This formulation first appeared in the Khrushchev-Kim Il-sen communique earlier this month. Its reappearance in the message to the Japanese Communists would seem to be connected with the Soviet-Chinese ideological quarrel and, in effect, takes issue with the Chinese Communist contention that revisionism, and especially Yugoslav revisionism, is the main danger at present.

11. World Youth Forum. Soviet and Ghanian keynote speakers at well-organized Moscow Youth Forum which opened July 25 stressed the national-liberation struggle and covered other major Soviet objectives, including Berlin and disarmament. The treatment of disarmament avoided direct reference to the troika principle. The discussion of colonialism failed to mention the Bizerte battle.

American youth organizations said to be participating in the Forum include some quakers and an "Organizing Committee of Progressive Youth." The Embassy has so far identified seven American participants, including [redacted] an American Negro nationalist representing "Crusaders for Freedom," who is pushing the idea of an independent Negro state in North America. (End LIMITED OFFICIAL USE)

(Begin OFFICIAL USE ONLY)

INTERNAL - POLITICAL

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12. New Head of the RSFSR Ministry of Internal Affairs (MVD); V. S. Tikunov, who until recently was deputy to A.N.Shelepin (Chairman of the USSR KGB), has been appointed Minister of Internal Affairs of the RSFSR (Sovetskaya Rossiya, July 26). He succeeds N. P. Stakhanov, long-time RSFSR MVD chief, who is "released from his duties," perhaps in connection with retirement. The possibility that Tikunov is Shelepin's protege cannot be ruled out; he worked with Shelepin at least as early as 12 years ago when both were in the Komsomol apparatus together. Since the USSR Ministry of Internal Affairs was abolished in 1960, most of the secret police power in the USSR is concentrated in the hands of these two men. (Embassy Airgram No. A-71 of July 28.)

13. Adzhubey-Khrushchev's New Foreign-Affairs Advisor? A. I. Adzhubey, Chief Editor of Izvestiya and Khrushchev's son-in-law, is now chief advisor for his father-in-law on foreign-policy matters, according to a report originating with a former Soviet Foreign Office official who still has occasional social contacts with those now in authority at the MFA. (Embassy Airgram No. A-66, July 25, 1961.)

14. Two Soviet Currency Speculators Shot. Two violators of Soviet currency regulations have been executed by a firing squad under the provisions of an act passed after the commission of their crime (Pravda, July 27.) They were two of a ring of sixteen arrested during May on a charge of transacting currency exchanges with foreigners to the tune of 20 million old rubles. Originally sentenced to 15 years deprivation of liberty, the two were selected as an example by the regime, retried and sentenced to death under a law permitting capital punishment for currency offenses which was passed July 1. The nature of the propaganda campaign accompanying their arrest, trial, and sentencing lead to the conclusion that the regime is determined to apply draconic measures in its effort to stamp out currency manipulation and illegal exchanges. The current black-market rate for the dollar is 2-3 new rubles. (Embassy Despatch No, 80 of July 28.)

15. Reorganization of the Commission of Soviet Control. The Commission of Soviet Control of the Council of Ministers of the USSR has been redesignated "The Commission of State Control of the Council of Ministers of the USSR." (Pravda, July 23.) The reorganization appears to be a move designed to enable this organ of economic control to work more effectively both in Moscow and the republics, to insure fulfillment of economic plans, and to eliminate widespread illegal practices, such as the padding of state accounts.

In conversations with Western observers, Soviet officials suggest that as a Union-Republic organ Goskontrol USSR will have authority to act with greater independence of other government organs at all levels. A MFA official states his belief that the organ will receive more funds and personnel to exercise the control functions spelled out in the decree: "keep state discipline in the

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expenditure of funds," "control of the fulfillment of state-established plans for deliveries..." and, "general perfect cost-accounting techniques and increase efficiency in the state administration." The MFA official does not expect detailed regulations of the operating machinery of Goskontrol USSR to be made public. (End OFFICIAL USE ONLY)

MILITARY

Negative

FOR THE AMBASSADOR:

R. T. Davies
First Secretary of Embassy

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